

Chairman Collins and members of the committee,

My name is Donna Yule and I am the Executive Director of the Idaho Public Employees Association.

I am here today to speak in opposition of House Bill 67.

Several of you know that IPEA has been concerned about what we perceive to be the underfunding of state government for many years now. Every year that I have been here, this body struggles to find the revenue to fund many important functions of government, including education and infrastructure maintenance. This bill will cut between \$51 and \$56 million dollars out of our general funds, which will make that task even more difficult.

According to a report from the Idaho Center for Fiscal Policy, most Idaho households would not see a significant change in their tax bill. Sixty-nine percent of households would see a very small tax cut, while 31% would see no benefit.

As is normally the case with these tax cuts, the wealthy people benefit the most. With this bill, the very top 1% of tax payers, those with incomes of \$418,000 and above – would see a significant tax cut of \$1,562 on average.

The average Idaho household, those with incomes between \$38,000 and \$59,000, would see a \$32 dollar decrease in their tax liability.

I hope you have all read the recent public opinion survey conducted by Boise State's School of Public Service. The survey shows that a majority of Idahoans do not support further tax cuts. Most average Idahoans feel it is much more important to invest in other areas of state government such as education and infrastructure.

I recently attended the CEC Committee hearings, and most members of the committee said they were in favor of raising wages for state employees, and yet they all lamented the fact that there just wasn't enough money to raise the wages to where they should be. You may not be aware that Idaho state employee's wages have been stagnant for some time and are well below wages for equivalent jobs in the private sector and as compared to public employees in surrounding states.

Since we apparently don't have enough revenue to pay our employees adequately, to fund education appropriately, and to maintain our bridges and roads, it seems to be the height of irresponsibility to further cut into our revenue stream by giving a tax break to people who say they don't need it or want it.

Thank you.